

The Receiver presented evidence that he has unencumbered funds in his possession in excess of \$18,000,000.00 and projects receiving at least another \$33,000,000.00 as the insurance portfolio continues to be sold. If the Receiver were to give every claimant 15% of their claim (which is not what he proposes - he proposes only a small fraction thereof in dire need) it would total \$28,000,000.00. Accordingly, the Court is satisfied that the Receiver has sufficient funds such that disgorgement of any interim distributions will not affect the amount to be distributed to other claimants.

For these reasons the Court recommends that the Motion be granted and that the Receiver be authorized to make emergency limited discretionary distributions not to exceed 15% of a particular allowed "A" claim upon the condition that any such interim distributions are to be deducted from any final distribution amount. The Court further recommends that the Receiver file a quarterly motion with the Court to account for any distributions made.

DATED this 23rd day of November, 2005.

Respectfully submitted,

/s/ Ellen S. Carmody

ELLEN S. CARMODY

UNITED STATES MAGISTRATE JUDGE

OBJECTIONS to this Report and Recommendation must be filed with the Clerk of Court within ten (10) days of the date of service of this notice. 28 U.S.C. § 636(b)(1)(C). Failure to file objections within the specified time waives the right to appeal the District Court's order. *Thomas v. Arn*, 474 U.S. 140, 155 (1985); *United States v. Walters*, 638 F.2d 947, 949-950 (6th Cir. 1981).